

Mineral Industry Surveys

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GOLD IN AUGUST 2006

U.S. mines produced 18,100 kilograms (kg) of gold in August, a 10% decrease compared with that of July, according to the U.S. Geological Survey. The daily production rate of gold in August was 583 kg, 18% lower than the 2005 annual average daily production rate of 713 kg and 10% less than the July average rate of 650 kg.

Engelhard Industries' average gold price for August was \$633.78 per troy ounce, slightly less than the average July price.

Apollo Gold Corporation (Denver, CO) announced that it has entered into a joint venture with Elkhorn Tunnels, LLC, an affiliate of Calim Private Equity, LLC (Aspen, CO), to restart the gold-silver-lead-zinc Montana Tunnels mine in Jefferson County, MT. Mine activity was suspended in October 2005 owing to the instability of the pit wall and closed in May 2006. Mine workers filed a class-action suit claiming that Apollo broke a contract by failing to provide a 60-day notice of

termination and severance pay when Apollo suspended mining (Jones, 2006).

Goldcorp Inc. (Vancouver, British Columbia, Canada) signed a merger agreement with Glamis Gold Ltd. (Reno, NV) on August 31. The deal, subject to the acceptance of two-thirds of Glamis's stakeholders, is expected to close in November. The new company will have the potential to produce 62,000 kilograms per year of gold and has gold reserves of 1,700 metric tons (Adams and Yee, 2006).

References Cited

- Adams, Ovid, and Yee, Alvin, 2006: Glamis merger to move miner Goldcorp to new level: *Platts Metals Week*, v. 77, no. 36, September 4, p. 5-6.
Jones, Sherry, 2006, Montana Tunnels to restart production, lawsuits pending: *Platts Metals Week*, v. 77, no. 35, August 28, p. 11-12.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED
STATES, BY STATE¹

(Kilograms)

| | Nevada | Other States ² | Total |
|--------------------------|----------------|------------------------------|----------------|
| <u>2005:^p</u> | | | |
| August | 19,700 | 3,870 | 23,600 |
| September | 19,600 | 3,930 | 23,600 |
| October | 18,700 | 3,440 | 22,200 |
| November | 18,100 | 3,650 | 21,700 |
| December | 19,500 | 3,420 | 22,900 |
| January-December | <u>217,000</u> | <u>43,700</u> | <u>260,000</u> |
| <u>2006:</u> | | | |
| January | 15,200 | 3,170 | 18,400 |
| February | 14,800 | 3,390 | 18,200 |
| March | 18,400 | 4,110 | 22,500 |
| April ^f | 15,700 | 3,780 | 19,500 |
| May ^f | 15,200 | 4,290 | 19,500 |
| June ^f | 15,400 | 4,170 | 19,600 |
| July | 15,500 | 4,670 | 20,100 |
| August | 14,000 | 4,070 | 18,100 |
| January-August | <u>124,000</u> | <u>31,600</u> | <u>156,000</u> |

^pPreliminary. ^fRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico, South Dakota, Utah, and Washington.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

| | |
|------------------------------|----------------|
| Engelhard Industries: | |
| 2005: | |
| Low/date | 412.45 Feb. 8 |
| High/date | 538.06 Dec. 12 |
| Average | 446.20 |
| 2006: | |
| June: | |
| Low/date | 568.61/20 |
| High/date | 643.54/5 |
| Average | 597.81 |
| July: | |
| Low/date | 607.38/24 |
| High/date | 665.03/14 |
| Average | 636.62 |
| August: | |
| Low/date | 615.09/29 |
| High/date | 656.16/2 |
| Average | 633.78 |
| Year to date: | |
| Low/date | 526.29 Jan. 5 |
| High/date | 726.88 May 12 |
| Average | 602.94 |
| Handy and Harman: | |
| 2005, average | |
| | 444.79 |
| 2006: | |
| June | 596.15 |
| July | 634.89 |
| August | 632.10 |
| Year to date | 601.11 |
| London Final: | |
| 2005, average | |
| | 444.88 |
| 2006: | |
| June | 596.15 |
| July | 633.71 |
| August | 632.59 |
| Year to date | 601.30 |

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms of gold content, unless otherwise specified)

| Period and country | Ores and concentrates ² | Doré and precipitates | Refined bullion ³ | Total ⁴ | Waste and scrap (gross weight) | Metal powder (gross weight) | Gold compounds (gross weight) |
|--------------------------|------------------------------------|-----------------------|------------------------------|--------------------|--------------------------------|-----------------------------|-------------------------------|
| Imports for consumption: | | | | | | | |
| 2005 | 1,630 | 234,000 | 105,000 | 341,000 | 27,300 | 1,990 | 29,500 |
| 2006: | | | | | | | |
| May | 139 | 11,000 | 12,400 | 23,500 | 4,520 | 42 | 9,050 |
| June | 374 | 8,850 | 10,200 | 19,400 | 3,830 | 267 | 608 |
| July: | | | | | | | |
| Brazil | -- | -- | 495 | 495 | -- | -- | -- |
| Canada | 332 ⁵ | 3 ⁵ | 8,190 | 8,530 | 144 ⁵ | 49 ⁵ | -- |
| Chile | -- | 1,400 | 500 | 1,900 | -- | -- | -- |
| Colombia | -- | 423 | 117 | 539 | 603 ⁵ | -- | -- |
| Costa Rica | -- | -- | 2 ⁵ | 2 | 139 ⁵ | -- | -- |
| Dominican Republic | -- | -- | -- | -- | 1,450 ⁵ | (6) | -- |
| Germany | -- | -- | -- | -- | -- | -- | 1,030 ⁵ |
| Guatemala | -- | 1,380 ⁵ | -- | 1,380 | -- | -- | -- |
| Honduras | -- | 319 | -- | 319 | 43 ⁵ | -- | -- |
| Japan | -- | -- | -- | -- | -- | -- | 2,000 ⁵ |
| Mexico | -- | 37 | 4,210 ⁵ | 4,240 | 694 ⁵ | 4 ⁵ | -- |
| Netherlands | -- | -- | -- | -- | -- | -- | 4,000 ⁵ |
| Nicaragua | -- | 142 | -- | 142 | 28 ⁵ | -- | -- |
| Panama | -- | 123 | 33 ⁵ | 156 | 28 ⁵ | 8 | -- |
| Peru | -- | 7,900 | -- | 7,900 | -- | -- | -- |
| United Kingdom | -- | -- | 467 ⁵ | 467 | -- | -- | -- |
| Other | 1 | 40 | 90 | 131 | 226 ⁵ | 133 ⁵ | -- |
| Total | 333 | 11,800 | 14,100 | 26,200 | 3,350 | 194 | 7,030 |
| Year to date | 861 | 83,300 | 82,000 | 166,000 | 26,900 | 899 | 30,000 |
| Exports: | | | | | | | |
| 2005 | 1,380 | 141,000 | 182,000 | 324,000 | 563,000 | 687 | 1,310,000 |
| 2006: | | | | | | | |
| May | 47 | 9,740 | 19,000 | 28,800 | 102,000 | 78 | 123,000 |
| June | 66 | 12,100 | 22,300 | 34,500 | 43,900 | 38 | 116,000 |
| July: | | | | | | | |
| Canada | -- | -- | 258 ⁵ | 258 | 10,400 | 4 ⁵ | 17,000 ⁵ |
| China | -- | -- | -- | -- | -- | -- | 16,900 ⁵ |
| Dominican Republic | 17 ⁵ | -- | -- | 17 | -- | -- | 12,000 ⁵ |
| Germany | -- | -- | -- | -- | 2,940 | (6) ⁵ | 328 ⁵ |
| Hong Kong | -- | -- | 774 | 774 | -- | -- | -- |
| Israel | -- | -- | 13 ⁵ | 13 | -- | -- | 2,220 ⁵ |
| Japan | -- | -- | -- | -- | 52 | -- | 1,030 ⁵ |
| Korea, Republic of | -- | -- | -- | -- | -- | 1 | 255 ⁵ |
| Mexico | 23 ⁵ | -- | 672 ⁵ | 695 | -- | -- | 916 ⁵ |
| Panama | 1 ⁵ | -- | -- | 1 | -- | -- | 416 ⁵ |
| Singapore | -- | -- | -- | -- | -- | -- | 52,600 ⁵ |
| Switzerland | -- | 8,540 | 243 | 8,790 | -- | 317 | -- |
| Taiwan | -- | -- | -- | -- | -- | -- | 3,980 ⁵ |
| United Kingdom | -- | -- | 14,200 | 14,200 | 4,180 | 3 | 1,150 ⁵ |
| Other | 19 ⁵ | -- | 81 ⁵ | 100 | 142 | 61 | -- |
| Total | 59 | 8,540 | 16,200 | 24,800 | 17,700 | 386 | 109,000 |
| Year to date | 1,720 | 77,500 | 120,000 | 199,000 | 345,000 | 603 | 780,000 |

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes gold content of base metal ores, concentrates, and matte imported for refining.

³Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

⁴"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

⁶Less than ½ unit.

Source: U.S. Census Bureau.